

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES

Call to Order: By **CHAIRMAN BETTY LOU KASTEN**, on March 15, 1999
at 7:01 A.M., in Room 108 Capitol.

ROLL CALL

Members Present:

Rep. Betty Lou Kasten, Chairman (R)
Sen. Chuck Swysgood, Vice Chairman (R)
Rep. Beverly Barnhart (D)
Rep. John Cobb (R)
Sen. Bob Keenan (R)
Sen. Mignon Waterman (D)

Members Excused: None.

Members Absent: None.

Staff Present: Delila Croucher, Committee Secretary
Lois Steinbeck, Legislative Branch
Greg Petesch, Legislative Branch
Susan Fox, Legislative Branch
Bob Andersen, OBPP
Connie Welsh, OBPP

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s): managed care
Executive Action: none

INFORMATIONAL HEARING ON MANAGED CARE

Mike Billings updated the Committee on a meeting the Department
had with Magellan Behavioral Health on Friday, March 12, 1999.
He presented a rough scenario for the transition to care
management. He suggested assuming risk as of May 1st and

March 15, 1999

PAGE 2 of 4

continuing care management services up to a year with a quick disconnect after September 30th, by which time a 30 day notice may be given. Beginning July 1st, the state will pay Magellan a monthly allocation in consideration for care management services. The Department asked Magellan for prioritization recommendations in the transition. **EXHIBIT(jhh58a01)**

{Tape : 1; Side : A; Approx. Time Counter : 0 - 10.5}

Rep. Cobb asked Mr. Billings what the logic behind waiting until July 1st before taking over liability was, for a breakdown of the 2.35 million dollar FY00 general fund money for risk assumption and contract costs, and for placing a bid out for an ASO.

{Tape : 1; Side : A; Approx. Time Counter : 10.5 - 16.2}

Sen. Swysgood asked the Department why it brought forth a transition option that requires more money to be allocated. He reiterated the fact that he had previously noted that no additional money was available and that services would have to be cut.

{Tape : 1; Side : A; Approx. Time Counter : 16.2 - 20.7}

The Department stated that a "gatekeeper" program of some sort would be needed to save money in the long run and through this transition. Rep. Kasten inquired whether or not the department had talked with anyone else regarding ASO involvement. Dan Anderson has been in contact with (VRI) Vydas Resources Incorporated. The Committee asked if Blue Cross Blue Shield had been at all contacted.

{Tape : 1; Side : A; Approx. Time Counter : 20.7 - 30.8}

Sen. Swysgood asked that the Department come up with an option that is developed around the money available and present it to the Committee with the services it would allow, and list separately additional service costs. The Department noted that they are in a negotiation process and that the information is not meant to be a proposal. Sen. Swysgood commented that if the information before the Committee is being used to negotiate that the Department must be operating under the assumption that more money is available. The Department said that was not the case.

{Tape : 1; Side : B; Approx. Time Counter : 10.1 - 13}

Sen. Keenan commented that the Department looks like they are operating under the assumption that the money Magellan receives is being handled properly. Money mismanagement has followed Magellan through this whole process. There are other ASO's out there to look at. The state should focus on problem, solution, and service.

{Tape : 1; Side : B; Approx. Time Counter : 17.5 - 25.8}

HOUSE JOINT APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN
SERVICES

March 15, 1999

PAGE 3 of 4

Sen. Waterman reiterated that the waiver needs to be maintained, consumer involvement should be taken under consideration, and that some kind of care management system needs to be the goal of the legislature.

{Tape : 1; Side : B; Approx. Time Counter : 26.4 - 28.8}

March 15, 1999

PAGE 4 of 4

ADJOURNMENT

Adjournment: 7:59 A.M.

REP. BETTY LOU KASTEN, Chairman

DELILA CROUCHER, Secretary

BK/DC

EXHIBIT (jhh58aad)